

MAXUS ENERGY CORPORATION

1330 LAKE ROBBINS DRIVE, SUITE 300
THE WOODLANDS, TEXAS 77380

TELEPHONE: 281-681-7200
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CORRINE M. HAWKINS
SENIOR COUNSEL

DIRECT: 281-681-7205

CANCELLED

April 19, 2002

U.S. Environmental Protection Agency, Region II
Emergency and Remedial Response Division
Diamond Alkali Superfund Site / Passaic River Study Area
290 Broadway, 19th Floor, Room W-20
New York, New York 10007-1866
Attention: Ms. Janet Conetta, Strategic Integration Manager

VIA FEDERAL EXPRESS
NO. _____

RE: Administrative Order on Consent, Index No. II-CERCLA-94-0117
Financial Assurance

Dear Ms. Conetta:

Enclosed, in accordance with the provisions of paragraph 85 of the referenced Administrative Order on Consent, is a Performance Bond in the amount of \$2,000,000, effective for the period April 20, 2002 to April 20, 2003

Sincerely,

Corrine M. Hawkins

Corrine M. Hawkins
Senior Counsel

Enc.

535114



USEPA
April 19, 2002
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cc w/enc.:

New Jersey Department of Environmental Protection **VIA FEDERAL EXPRESS**
401 East State Street, 5th Floor **NO. _____**
CN-028
Trenton, New Jersey 08625
Attention: Diamond Alkali Project Manager, Passaic River Study Area

Office of Regional Counsel **VIA FEDERAL EXPRESS**
U.S. Environmental Protection Agency, Region II **NO. _____**
290 Broadway, 19th Floor, Room W-20
New York, New York 10007-1866

PERFORMANCE BOND

RE: ADMINISTRATIVE ORDER ON CONSENT executed effective April 20, 1994 (the "ACO"), by the United States Environmental Protection Agency Region II and Occidental Chemical Corporation ("OCC", successor to Diamond Shamrock Chemicals Company), for the investigation of the contaminated sediments located within the Passaic River Study Area as more specifically identified and pursuant to said ACO.

Date bond executed: April 15, 2002

Effective date of bond: April 20, 2002

Expiration date of bond: April 20, 2003

Principal: Occidental Chemical Corporation, successor to Diamond Shamrock Chemicals Company
5005 LBJ Freeway
Dallas, TX 75244-6119

Type of Organization: Corporation

State of Incorporation: New York

Surety (ies): Travelers Casualty and Surety Company of America
One Park Center
14450 T.C. Jester Blvd., Suite #100
Houston, TX 77014

Total Sum of bond: \$2,000,000.00

Surety Bond Number: 61S103776577BCM

United States Environmental Protection Agency Region II Contact:

Emergency & Remedial Response Division
U.S. Environmental Protection Agency, Region II
290 Broadway
New York, NY 10007-1866
Attn: Diamond Alkali Project Manager - Passaic River Study Area

KNOW ALL PERSONS BY THESE PRESENTS, THAT WE, the Principal and Surety(ies) hereto, are firmly bound to the United States Environmental Protection Agency Region II ("USEPA") in the above sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth above.

WHEREAS, Occidental Chemical Corporation ("OCC") has entered into an Administrative Order on Consent ("ACO") with USEPA dated effective 4/20/94, under which OCC has agreed, among other things, to undertake certain actions in order to investigate contaminated sediments within the "Passaic River Study Area" as described in, and all obligations set forth by, the ACO.

WHEREAS, OCC is required to provide financial assurance during the course of the work for implementation of the obligations set forth by the ACO for any two consecutive calendar quarters then running under the ACO.

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform its obligations under the Administrative Consent Order, whenever required to do so, regarding the work for which this surety bond guarantees performance, then this obligation shall be null and void, otherwise it is to remain in full force and effect until Expiration of the Bond or completion of the Work, whichever shall first occur.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the USEPA that the Principal has failed to perform as guaranteed by this Bond, the Surety(ies) shall either perform the obligations set forth in the ACO for the calendar quarter in which said notice is received, and the next succeeding calendar quarter, or place sufficient funds up to the sum of this bond in a trust fund for payment as directed by the USEPA for completion of the obligations during such period as set forth in the ACO.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said sum. Any funds remaining in the trust, if any, at the completion and payment of the work under the ACO shall be returned to the Surety(ies).

The Surety(ies) may cancel this bond prior to the Expiration date by sending notice of cancellation by certified mail to the Principal and to the USEPA contact referenced above; provided, however, the cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the USEPA, as evidenced by the return receipts, nor shall cancellation occur while proceedings to enforce the terms of the ACO are pending or actions to redress any violation of the ACO are underway.

The Principal may terminate the bond by sending written notice to the Surety(ies); provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for early termination of the bond by the USEPA.

IN WITNESS WHEREOF, the Principal and the Surety(ies) have executed this Performance bond and have affixed their seals on the date set forth below.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

Principal: Occidental Chemical Corporation, successor to Diamond Shamrock Chemicals Company

By: Richard A. Lorraine

Date: 4/18/02

Name: Richard A. Lorraine

Title: Executive Vice President & Chief Financial Officer

[Corporate Seal]

Surety(ies): Travelers Casualty and Surety Company of America
One Park Center
14450 T.C. Jester, Suite #100
Houston, TX 77014

State of Incorporation: Connecticut

Signature: Margaret Buboltz

Date: April 15, 2002

Name and Title: Margaret Buboltz, Attorney-in-Fact

[Corporate Seal]

[For every surety, provide signature(s), corporate seal, and other information in the same manner as for the Surety above.]

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **William N. Burke, Dan W. Burton, Michael J. Herrod, Wendy W. Stuckey, Karen M. Kellner, Lupe Tamayo, Joan Bagnall, Margaret Buboltz, Angela M. Tindol, Lisa L. Loeffler,** of Houston, Texas, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

bcc: Mark Ryan
Lillie Ann Handoyo



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

RELEASE

Travelers Casualty and Surety Company of America issued a Surety Bond (**Bond No. 103776577**) in the amount of **\$2,000,000** (the "Bond") at the request of **Occidental Chemical Corporation** as Principal, for the benefit of **United States Environmental Protection Agency Region II** as obligee ("Obligee").

Obligee hereby fully and unconditionally discharges and releases the Bond and releases **Travelers Casualty and Surety Company of America** its parents, affiliates and subsidiaries ("Travelers") from any and all past, present and future liability under said Bond. Contemporaneous with the execution of this Release the Bond is discharged and the Obligee shall return the original Bond to Travelers and Obligee hereby surrenders any and all rights associated with the Bond. The undersigned warrants that he or she has the authority to execute this Release on behalf of the Obligee and to bind the Obligee hereunder.

The effective release date of the Bond is October 4, 2011.

A handwritten signature in dark ink, appearing to read "A. Carpenter", written over a horizontal line.

Angela Carpenter, Acting Director
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region 2

4.8.19

Date